

**TOWN OF DAVIE
WORKSHOP MEETING
JUNE 1, 2004**

The meeting was called to order at 5:28 p.m. Present at the meeting were Mayor Truex, Vice-Mayor Paul, Councilmember Crowley, Councilmember Hubert, and Councilmember Starkey. Also present were Town Administrator Willi, Town counsel Parke and Town Clerk Muniz recording the meeting.

1. Waste Services

Mr. Willi explained the purpose of the workshop on the Town's franchise agreement for waste collection services. He indicated that the Town had hired a consultant, R.W. Beck, to design the Request for Proposal (RFP) and give the Town direction on how to proceed with this venture.

Procurement Manager Herb Hyman explained the procedure for vendor presentations and Town Council input. He indicated that staff was preparing a resolution on this item for the June 16, 2004 meeting.

Management Report by R.W. Beck

Chuck McClendon, representing R.W. Beck, spoke of the history in developing the Town's RFP process and indicated that Waste Management and Republic Services had both submitted proposals. He explained that there were important differences between the two vendors' proposals: their individual service levels and related fees. Mr. McClendon compared the price differences between the two vendors' proposals and outlined Exhibit A, which depicted the residential and commercial rates for both firms under consideration. He stated that a provision had been written into the RFP for residents to make use of a two-cart option versus a single cart for waste collection. After reviewing both firms' qualifications, Mr. McClendon felt both had a long history of providing good quality service in Broward County and the difference in pricing reflected their pricing strategies.

Councilmember Hubert asked what had been asked in the RFP for the residential component. Mr. McClendon indicated the RFP had asked for all services to be provided. Councilmember Hubert asked if the RFP had required that residential be 66% and commercial 34%. Mr. McClendon indicated in the affirmative.

Mayor Truex asked about price escalators in both contracts and how they worked. Mr. McClendon spoke of the price indexes built in generally used for annual increases.

Vice-Mayor Paul asked about the CPI percentage. Mr. McClendon indicated this number was about 2.5%.

Councilmember Hubert asked if there would be conflict of interest on her part because she had a relationship with All Service and Waste Management, who provided services for public events she was involved with. Mr. Parke indicated that if Councilmember Hubert made no financial gain from these events, there would be no conflict of interest. Councilmember Hubert indicated she made no financial gain from these events.

Republic Services

Dave Katz, Director of Governmental Affairs for Republic Services, provided a history and background of his firm and its subsidiary, All Service Refuse. He advised that the company owned 148 collection operations in 22 states and was the third largest solid waste company in the domestic U.S. Mr. Katz advised of the various local municipalities his firm serviced in the County. He also spoke of the company's commitment to corporate goodwill and dedication to making community involvement a part of their business. Mr. Katz referred Council to his firm's qualification packages and asked that they review these further. He indicated that his firm was committed to providing brand new service vehicles for collection. Mr. Katz felt that his firm's proposal offered a balanced approach that offered lower rates for all segments of Davie. He illustrated how his firm's rates compared to the incumbents for various

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condominium complexes, commercial establishments and Nova Southeastern University. Mr. Katz indicated that under his firm's proposal, commercial, multi-family, and curbside customers would receive a rate decrease resulting in a savings of \$4.6 to \$5.7 million over the five-year term of the contract. He pointed out that under his firm's proposal one segment of the Town would not subsidize rates for another segment.

Councilmember Hubert asked if Nova Southeastern University and other commercial entities could lower their bills by participating in recycling efforts. Mr. Katz indicated there were recyclable containers on the University's campus. He felt that businesses would order the amount of services for their individual needs.

Councilmember Crowley asked if the multi-family rates were based on individual or container pick up. Mr. Katz indicated the definition stated was provided by the Town and stated that this would likely fall under curbside rates. Councilmember Crowley asked if recycling was extended to construction sites. Mr. Katz stated that the material was not always sorted at the construction sites and that his firm had to do some sorting because of hazardous materials.

Councilmember Starkey asked if the estimated savings over five years were based on the RFP or on his firm's own calculations. Mr. Katz responded that it was a two-part process and indicated that his firm had questioned the numbers provided in the RFP. He stated that in order to substantiate the numbers in the RFP, his firm had to perform its own house count, because the Town did not have an accurate number. Mr. Katz advised that the number was based on a combination of the Town's RFP number and his firm's count. He indicated that the house count was the most important factor to consider in providing a proposal and the numbers published by the Town would have been way off in estimate.

John Ferguson, representing Republic Services, indicated that the firm drove through streets for a six-month period and discovered there was a 10,000-house difference in their count compared with the count published in the Town's report. He felt confident with the number that All Service Refuse provided and pointed out that the difference could be attributed to mobile homes.

Councilmember Starkey asked about bulk pickup fees. Mr. Ferguson indicated that these were left out of the spreadsheets because they were franchise pass-through fees that went straight to the Town.

Vice-Mayor Paul asked if the \$14.50 rate included multi-family units under eight. Mr. Katz replied no and added that only the single-family units were included. Vice-Mayor Paul asked if the rates presented included franchise fees. Mr. Katz indicated that everything was included except for single-family units. Vice-Mayor Paul asked about the option of combining manual services. Mr. Katz indicated that his firm was willing to entertain this option. Vice-Mayor Paul indicated that none of the three spreadsheets she reviewed matched the others. She asked about the monthly billing process and wondered if differences were attributed to quarterly statements, as opposed to monthly statements. Mr. Katz advised that he had been informed that the Town had been discussing doing its own billing and collecting franchise fees directly. Vice-Mayor Paul asked about automated and manual programs in some communities. Mr. Katz stated this was usually offered as some sort of pilot program but was not done often. Vice-Mayor Paul provided an example regarding the needs of larger horse ranches versus standard residential homes. She felt that since this was not included in the RFP, it created the question of whether the Town was limited in what services it could request. Mr. Katz felt that if Council elected to have a certain district of the Town using automated and another using manual collection, there might be one segment of the Town subsidizing another. Vice-Mayor Paul clarified that she was referring to a combination of the two services per household. Councilmember Hubert stated that in her district they had both automated and manual pick up service every Monday morning.

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Mayor Truex asked why the costs for manual to automated residential services were much steeper than those of Waste Management. Mr. Ferguson indicated that he could not speak for Waste Management. Mayor Truex also asked about mobile homes. Mr. Ferguson stated that he did not believe mobile homes were part of the franchise agreement. Mr. Bonneville, representing All Service Refuse, indicated that some mobile home communities had been annexed and were not part of the Town's franchise agreement. Mayor Truex asked if those communities wished to be included under the same rates, would they have to negotiate separately. Mr. Bonneville indicated they could use the same rates proposed to the Town.

Mayor Truex asked what would be involved if the Town wanted to bill for services under the tax bill and asked how the process would work. Mr. Bonneville indicated that residents would pay for the year ahead with bills going out in December. The Town would collect fees, keep its 12.5% franchise fees, and disburse the rest of the funds accordingly. Mayor Truex asked about the process for the first year. Assistant Town Administrator Ken Cohen indicated that some type of billing would need to be set up to cover October-December 2004, while the next tax bill would apply to service for the 2005 year. Mayor Truex asked how residents would be billed during the transition period. Mr. Cohen indicated that the Town would have to decide this.

Councilmember Hubert asked if All Service would be able to maintain the same service in her district. Mr. Ferguson indicated that his firm's proposal was submitted with respect to keeping the service as it was.

Councilmember Crowley asked which municipalities serviced by All Service had the automated pickup. Mr. Ferguson indicated that no other municipality currently had this service. Councilmember Crowley asked if the firm serviced any of the exempt mobile home communities. Mr. Ferguson replied that they serviced Palma Nova, Everglades Lakes, and Park City. Councilmember Crowley asked if they serviced unincorporated areas such as Pine Island Ridge and United Ranches. Mr. Ferguson indicated in the negative.

Mayor Truex announced a brief recess at 6:27 p.m. and the meeting was reconvened at 6:33 p.m.

Waste Management

Tony Spadaccia, representing Waste Management, gave a presentation describing his firm's history with the Town and his firm's competencies. He spoke about several service standards his firm had in place and spoke of its safety initiatives and community involvement. Mr. Spadaccia indicated that his firm would be piloting a roll out cart program, providing for a two-tier pricing schedule to offer residents pricing value. He compared his firm's rates versus the competitors. Mr. Spadaccia read feedback comments provided by residents who had participated in the roll out cart pilot program in other areas.

John Casagrande, representing Waste Management, spoke of the firm's service culture that valued responsiveness to the community. He explained how his company's auditing, service tracking, and customer service functions worked. Mr. Casagrande spoke of the company's safety performance operations which had resulted in a 72% reduction in injuries. He stated that this assured the Town that their pick up drivers would be more consistently available for service.

Mr. Spadaccia indicated that the company's facility on College Avenue would include quality recycling. He voiced his firm's commitment to hiring more Davie residents if the contract was awarded to Waste Management. Mr. Spadaccia outlined how Davie's residential and commercial rates fell in comparison with other Broward municipalities and spoke of how rates may be reduced in slower seasons or through recycling plans. He indicated that the resident had the control under his company's proposal.

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He stated that Waste Management's cart collection program put over \$8 million in real income back in the hands of residents and the local business community.

Vice-Mayor Paul asked about the two-cart option. Mr. Spadaccia responded that residents who only needed one cart would pay a lower rate than those who needed two carts. Vice-Mayor Paul spoke of the space restrictions on narrow trucks collecting on the right side. Mr. Spadaccia indicated that his firm would have to adjust to such restrictions when necessary. On behalf of the president of the Le Chateau Homeowner's Association, Vice-Mayor Paul asked about purchasing carts through the association and bulk service. Mr. Casagrande indicated that communities using curbside service would benefit from bulk collection service. Mr. Spadaccia indicated that response time to breakdowns would be in minutes, not hours. Vice-Mayor Paul asked if the firm would be phasing in new equipment or starting out with new equipment. Mr. Spadaccia indicated the firm's proposal included the use of all new trucks for residential service.

Councilmember Starkey asked if bulk pick-up was included in the residential billing rates. Mr. Spadaccia indicated that billing, bulk pick-up, and franchise fees were included in the proposal. Councilmember Starkey asked if this was based on the 24,000 estimated residential units. Mr. Spadaccia responded that the rates would be multiplied out and increased in value as the Town grew, resulting in a bigger pricing benefit over time. Councilmember Starkey asked if mobile homes were included in the 24,000 figure. Mr. Spadaccia advised that the figures provided were residential.

Councilmember Crowley asked if the rates were based on current disposal fees. Mr. Spadaccia responded in the affirmative. Councilmember Crowley asked if this was subject to change as the fees changed over time. Mr. Spadaccia indicated in the affirmative and welcomed the opportunity to work with Nova Southeastern University to lessen its service demand and thereby lower its bills. Councilmember Crowley asked if any of the exempt mobile home parks were serviced. Mr. Spadaccia indicated that his firm serviced some exempt communities such as Paradise and Rexmere Villages, along with unincorporated areas such as Pine Island Ridge and United Ranches.

Councilmember Hubert asked how the firm would work with Nova Southeastern University on reducing its expenses through controlling its own garbage collection. Mr. Spadaccia indicated that his firm was willing to sit down and evaluate opportunities for Nova Southeastern University to further its recycling operations.

Councilmember Hubert stated that when past construction was done at her house, her dumpster was serviced by All Service, as that firm paid franchise fees. She asked if Waste Management had a monopoly on construction site collection. Mr. Spadaccia indicated that any company had the ability to put a dumpster on a construction site as the Town was not permitted to exclude such companies. Councilmember Hubert asked if construction material would be serviced by Waste Management only. Mr. Spadaccia indicated in the affirmative. Mayor Truex referred to an ordinance on this issue in the past. Councilmember Hubert indicated that a resident had wanted to attend the workshop to ask about this issue. Councilmember Starkey stated that this issue was supposed to be handled legislatively. Mayor Truex recommended discussing this separately.

Mayor Truex asked if people with disabilities could still use bags. Mr. Spadaccia responded in the affirmative. Mayor Truex asked if exempt mobile home parks wished to join the service, would the same rates apply to those. Mr. Spadaccia indicated in the affirmative. He asked Mr. Spadaccia to clarify his statement regarding multi-family units being half of the single-family rates. Mr. Spadaccia confirmed multi-family rates would be significantly less in their monthly rates.

Vice-Mayor Paul asked if the residential recycling fee would be a separate amount from the trash collection amount. He explained why the State had control over mandatory recycling for residential properties. Mr. Cohen indicated that billing for recycling fees depended upon whether the Town or the

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franchisee would be doing the billing. Mr. Spadaccia indicated that the residents would be able to see what the Town's fee was, because it had to be reported to the State annually.

Mayor Truex asked if a resident chose one cart but later required two, would the rate remain the same. Mr. Spadaccia indicated that the proposal being recommended was for one cart with an additional cart option. However, another method provided for two carts with a third-cart option. Mayor Truex commented that the recommended one-cart option would be the same as using the two-cart option. Mr. Spadaccia indicated that the person paying for two carts would pay the same rate under either option, but that the resident using the one-cart option would receive the savings.

Councilmember Starkey asked if there was another charge for an additional recycling bin. Mr. Spadaccia indicated that there would be no additional charge.

Councilmember Hubert voiced her concern on collecting construction material and was not sure if it was the homeowner who was allowed to use an additional hauler. Mayor Truex asked the consultant to address this question. Mr. McClendon indicated that there was a statewide push to prevent the franchising of commercial recycling. He advised that currently, the Town should only be getting collection services from Waste Management.

Mayor Truex asked if some Broward municipalities allowed commercial contractors to do whatever they wished under a non-exclusive condition. Mr. McClendon indicated he was not aware of this.

Councilmember Starkey felt that having one franchisee made it easier to regulate and determine when a non-sanctioned hauler was operating within the Town. She felt one color in the Town made it easier to regulate which hauler was operating.

Councilmember Hubert was concerned that there were many unauthorized haulers operating in her neighborhood. Mayor Truex felt this should be reported and this issue was being asked at the wrong time as it was not factored in the bid process. Vice-Mayor Paul asked if Council would stand by staff's recommendation from staff since no provision was included in the RFP for a non-exclusive program. Mr. Cohen indicated in the affirmative. Vice-Mayor Paul recommended that a presentation be made at a Council meeting.

Mayor Truex asked how the selection process would unfold. Mr. Willi explained that the item would be scheduled for the June 16th Council meeting, where Council would choose a vendor. After selection, staff negotiates a contract with the vendor encompassing all issues in the RFP and covering all the points discussed in the workshop.

Councilmember Starkey wanted to start out making a decision on the service level first before going forward. Vice-Mayor Paul recommended that each member of Council indicate what they would like to see individually, and have staff compile common goals. Mayor Truex disagreed. Mr. Willi stated that a resolution could be prepared, leaving areas blank to be filled in after Council's decision was made. Councilmembers further discussed the different pickup needs of various areas of the Town.

Mr. Hyman advised that both vendors agreed to the contract crafted by the consultant, R.W. Beck. Mr. Parke felt that it would be okay if Council gave direction to staff on what they wanted the contract to consist of.

Mr. Ferguson spoke about safety concerns related to side-loading operations. He felt there was no clear-cut candidate because there was no uniform ranking standard identified. Mr. Ferguson stated that since house counts had to be accurate, he did not understand where Waste Management's count of 24,000 came from. He spoke of future residents of the Town, such as Pine Island Ridge, who would need to be factored in the Town's decision.

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Mayor Truex asked that the vendors be allowed to give a 5-minute presentation and/or rebuttal at the June 16th meeting.

Councilmember Crowley asked if the meeting requested by the Economic Development Council could be held at Council Chambers versus at Nova Southeastern University since it was a public meeting. Councilmembers felt the University location was adequate.

There being no further business to discuss and no objections, the meeting was adjourned at 7:51 p.m.

Approved _____

Mayor/Councilmember

Town Clerk